

White House maps out Senate strategy Shaken Reagan continues his fight for Contra aid

From Michael Binyon, Washington

Shaken though undaunted by his defeat in the House of Representatives, President Reagan has moved swiftly to continue his fight for \$100 million (£65.8 million) in aid to the Nicaraguan rebels, whom he has told not to lose heart.

Within minutes of the 222-210 vote against his aid plan, the President summoned Senate Republican leaders to the White House to map out a strategy for getting the Bill through the Republican-controlled Senate as quickly as possible. It will be introduced on Tuesday, and its expected passage is likely to force the House to endorse at least some military aid for the Contras when it reconsiders the issue on April 15.

Sombre White House officials were yesterday investigating why their strategy over the past two weeks failed to persuade enough House Democrats and Republicans to back Mr Reagan.

None the less, the Administration's last-minute compromise, offering a 90-day delay on supply of offensive weapons, was a tactical mis-

take, weakening the previous insistence on Contra need for immediate help. Some Democrats also saw this as a ruse to get the full \$100 million without any real concession, since most of the money could not have been spent immediately in any case.

Mr Reagan has suggested that his compromise to give time for negotiations to begin between the Sandinista Government and the Contras should now be written into the Senate Bill.

Insisting "the vote must be reversed", Mr Reagan said in



Mrs Susan Barrantes and her husband, Hector, mother and stepfather of Miss Sarah Ferguson, meeting the press in Buenos Aires after Buckingham Palace's announcement of the engagement to Prince Andrew.

Sceptical Ortega fears war

From John Carlin, Managua

Refusing to be heartened by the vote in the US Congress, President Ortega of Nicaragua said that President Reagan's "terrorist" policy would continue, obliging Nicaragua to still greater mobilization of its military forces against the risk of an eventual American invasion.

The diplomatic community here sees the result of the vote as a victory for Nicaragua's Sandinista Government. But President Ortega predicted at a news conference after the vote on Thursday night that President Reagan would find a way to continue support for "the mercenary forces" — the Sandinista term for the estimated 15,000 Contras.

Far from expressing any gratitude to the Congressmen who voted against President Reagan, the Nicaraguan President said it was "immoral" and against international law for the American Congress even to be debating means of making war against a country with which the US has diplomatic relations.

Señor Ortega anticipated what he called a "Vietnamization" of the Nicaraguan conflict. He noted that reports from Washington said the US means to provide the currently demoralized Contras — who seem further than ever now from the Sandinistas overthrow — with military advisers.

"In Vietnam they began with military advisers and ended up with half a million soldiers," he said.

While the US insisted on seeking military solutions in Central America, he went on, the threat existed of a direct US intervention, with the "great bloodshed" that would involve.

Demanding American respect for Nicaragua, President Ortega said his policy of negotiation remained "invariable". But instead of speaking to the Contras, as Washington insists, he said he would talk only with the "mercenaries" chief, who is President Reagan's.

End of long march for UK hostages

Lisbon — Four Britons were among the 194 hostages who arrived at Lisbon airport on a flight from Kinshasa, where they had been freed by Unita rebels after a 300-mile march through Angola to Zaire (Martha de la Cal writes).

They are Mr John Sutherland of Perth, project manager for Intracon in the Angolan diamond mining down of Andrada, from which they were captured on March 1; Mr Keith Dyton, a foreman engineer; Mr Terrance Richards of Cornwall, a foreman; and Mr Simon Tingay, a mechanic.

Shuttle debris examined for clue

From Mohsin Ali, Washington

The nature of the debris, thought to be the most valuable piece of wreckage recovered so far, may be announced at a public hearing of the presidential commission investigating the disaster.

Meanwhile, Senator Ernest Hollings (Democrat, South Carolina) has asked the White House for its telephone logs on the day Challenger blew up, saying he wanted to find out if any pressure was exerted on NASA officials to launch the shuttle.

The White House has strongly denied that there was any pressure to launch Challenger on January 28, a few hours before President Reagan was originally due to make his televised State of the Union address.

Senator Hollings asked the White House for a log of telephone calls from January 20 to noon January 28 between the White House and senior NASA officials.

● KOUROU, French Guiana: The launch of the European Ariane rocket, aborted in its final seconds on Wednesday, has been rescheduled for March 28, according to the director-general of ArianeSpace, M Charles Bigot (Reuters reports).

Test for Chirac in campaign to legislate by decree

From Diana Geddes, Paris

Enabling Bills to permit the right to by-pass Parliament and legislate by decree in two key areas are expected to head the agenda at the first meeting of the new Cabinet to be held at the Elysée Palace today, with President Mitterrand in the chair.

In a speech immediately after being made Prime Minister on Thursday, M Jacques Chirac announced that his government intended to issue decrees to bring back majority voting and to introduce a programme of privatization as well as to bring in a series of economic measures designed to set the economy rapidly back on the road to recovery.

It has been widely assumed that M Chirac must have got M Mitterrand's acquiescence for such a move as part of the "cohabitation" package thrashed out by the two men in lengthy conversations earlier this week. The President's signature is required on all decrees before they can come into force.

Whereas the President is obliged under the constitution to sign all Bills passed by Parliament within a set period, usually 15 days, he is under no such obligation in the case of decrees.

M Chirac could, therefore, find himself running into serious difficulties unless he has already got M Mitterrand's tacit approval.

Legislating by decree entails two important advantages for M Chirac. It enables him to avoid lengthy parliamentary debate which could hold up his economic programme, and it allows him to prevent a dangerous public spin within the right's ranks over the controversial issue of majority voting.

It is no secret that many members of the centre-right UDF, the Gaullist RPR party's junior partner in government, feel that they might, therefore, have been tempted to vote against a Bill to bring back majority voting.

Numerically, the 37 ministerial posts in the new government have been shared out equally between the UDF and the RPR, but M Chirac's party has taken the lion's share of the important portfolios, including all those relating to the economy — finance, foreign trade, the budget and privatization.

The RPR wants to move faster than the more cautious UDF in liberalizing the economy and in cutting taxes.

Yesterday M Chirac said he had no intention of giving up his functions as Mayor of Paris, and that he would continue to live in his private apartments in the Hôtel de Ville, though he would work during the day from the Hôtel Matignon, the Prime Minister's office.

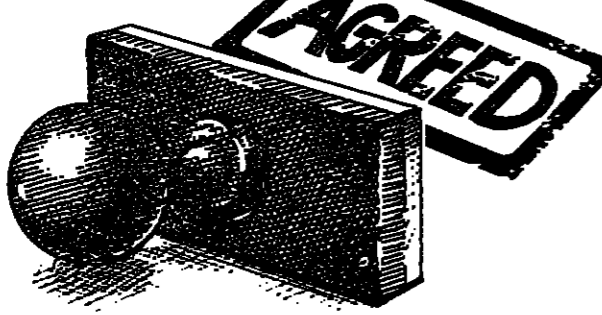
He performed his first public duties as Prime Minister yesterday when he received Mr George Shultz, the US Secretary of State, who is on a one-day semi-private visit to Paris. As a sign that "cohabitation" had begun, Mr Shultz visited President Mitterrand just before going to see M Chirac.

M Mitterrand has sent a glowing tribute to his former Prime Minister, M Laurent Fabius, thanking him for the work he achieved.

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Yet the mortgage certificate is only part of the package. Arrange a Midland mortgage in March, April or May 1986, and you'll also have the following:

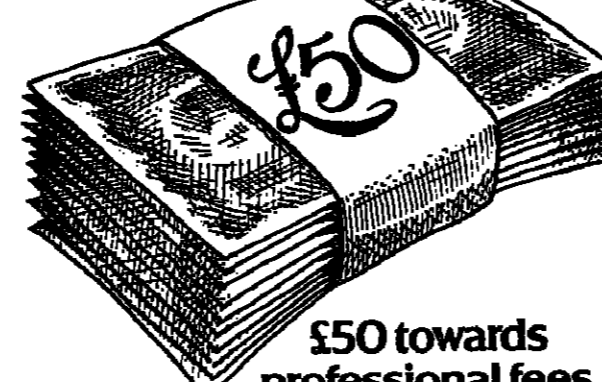
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1/2% off your mortgage interest rate.

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When you take out your new Midland mortgage, you'll get a £50 contribution towards the professional fees involved in buying your house.

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If you already have a mortgage with someone else, and find the Homeowner Plus package too good to resist, we won't charge you a penny should you wish to transfer it to us.

For full details, call into your local Midland branch, or write to The Mortgage Dept., Midland Bank plc, PO Box 2, Sheffield S1 3GG.

We promise to make you feel at home.

"WE'VE BEEN LISTENING."

Arab link in Paris bombings

From Diana Geddes, Paris

The Committee for the Support of Arab and Middle East Political Prisoners claimed responsibility yesterday for the bomb attack in a crowded shopping arcade on the Champs Elysées on Thursday in which two people were killed and 28 injured, nine of them seriously.

The same organization has claimed responsibility for the bomb attack against the high-speed TGV Paris-Lyons train on Monday, in which 10 people were injured, as well as three bomb attacks in Paris shopping centres in February in which a further 21 people were hurt.

On each occasion, the organization has demanded the release of three convicted terrorists imprisoned in France.

M Jacques Chirac, the new Prime Minister, who visited the shopping arcade soon after the bomb went off, said yesterday that such "bestial and inhuman acts" demanded an increase in the human, technical and judicial forces deployed in the fight against terrorism.

Much more systematic security checks were required in public places vulnerable to attack, he said.

Jubilant gays hail new law

From Christopher Thomas, New York

After a 15-year battle New York City has made it illegal to discriminate against homosexuals, Greenwich Village, the chic area of Manhattan where gays congregate, went wild with jubilation.

The vote in the city council was a surprisingly decisive 21 to 14. Mayor Edward Koch supported the measure, which empowers the city's Human Rights Commission to investigate complaints of discrimination in housing, employment, public accommodation, ownership of land and the leasing of commercial space.

The commission can impose maximum penalties of a year in prison or a \$500 (£330) fine, although in practice punishments are likely to be moderate.

Passions ran high in a four-hour debate in the ornate council chamber, the ceiling of which bears Thomas Jefferson's words: "Equal and exact justice to all men of whatever state or persuasion." Several council members cried as the vote was taken, saying the pressures had been exhausting.

About 50 towns, villages, municipalities and the state of Wisconsin have passed a similar law.

7 REASONS FOR STARTING A COMPANY PENSION SCHEME NOW.

(The more hard-headed you are, the more you'll like 'em.)



1. SERPS is unfair and poor value for money.

Once, the State Earnings Related Pension Scheme (better known as 'SERPS') was a gleam in Barbara Castle's eye (remember her?).

It was set up with the admirable objective of providing a decent pension for every employee who wasn't properly looked after by a private company scheme.

In today's cold light of day, however, SERPS looks distinctly like bad news for everyone.

For not only are the pensions it promises to its members actually very poor value for money.

But the eventual cost of providing those pensions on a 'pay as you go' basis (the way Governments pay for everything) could end up making the Trident programme look like petty cash.



5. Your workforce will enjoy substantial benefits. And so will you.

The management of any responsible company will take pride in ensuring that its workforce is going to enjoy full financial security in retirement. But there are also more direct business reasons for starting your own company pension scheme.

Employees who are financially secure are likely to prove both more productive and more loyal. And you'll also find that a good pension scheme can be an important factor in persuading more good people to come and work for you.



2. The Government is planning to make it worse.

Well? What would you do? To its credit, the Government has decided to face the reality of SERPS, rather than bequeathing its unresolved problems to its successors in the 21st Century.

It is now introducing legislation to reduce the burden of SERPS on future generations.

Which, of course, means further reducing the value of future pensions many existing members can expect from SERPS.

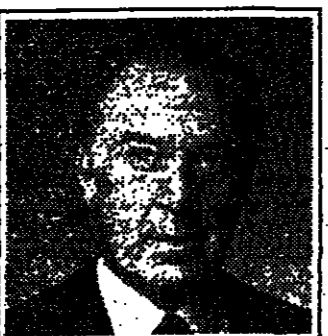


6. Every day you waste means more money down the drain.

Even before the present Government began its review of pensions legislation, many companies had already elected to contract out of SERPS in order to provide better pension benefits for their employees at little cost to themselves.

Now the Government has made clear its intention to run SERPS down, it makes even more sense to contract out.

Throwing good money after bad isn't a good idea, and since all contracted out schemes started now will automatically qualify for the extra 2% incentive when it becomes available, there is every reason to act immediately.



3. But it is prepared to give a subsidy of 6 1/4% of your wage bill if you set up your own company scheme.

Many companies don't realise that if they contract-out of SERPS they qualify for a substantial saving on their National Insurance Contributions.

It amounts to a subsidy worth approximately 6 1/4% of payroll costs. A subsidy so substantial in fact, that it will cover most of the cost of running an excellent private pension scheme for the company.



7. Crown can set up a scheme for you without delay or problems.

Crown Financial Management is a leading financial services group that already looks after the interests of more than one million people in the UK, and which provides company pension schemes for many thousands of British companies.

Our 'Fair Deals For Retirement' Plan has been designed specifically to meet the Government's criteria for contracting out of the State Scheme and thus qualifying in full for the Government's generous subsidies.

Our organisation takes care of everything, from producing descriptive literature in your company's name and explaining the benefits to your employees at specially arranged meetings, right through to paying their pensions when they retire.

Well-deserved pensions that they would not have been able to look forward to, had you not had the foresight - and the hard-headed commercial sense - to redirect a large part of your National Insurance Contributions into your company's own pension scheme.

Stop throwing good money after bad. Send us the coupon. Now.



4. It intends to offer another 2% subsidy soon.

And the Government's generosity doesn't end there.

So keen are they to encourage firms to take over the role of providing employees with pensions, that the new Social Security Bill provides for the subsidy on contracted out schemes to be boosted by a further 2% of payroll costs as from early 1988.

To: Department FDR, Crown Financial Management, Freeport, Woking, Surrey GU24 1BR. (No stamp required). Or telephone: 04462 5033. Please let me have full details of Fair Deals For Retirement.



Name _____
Position _____
Company _____
Address _____
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My professional advisers are: _____

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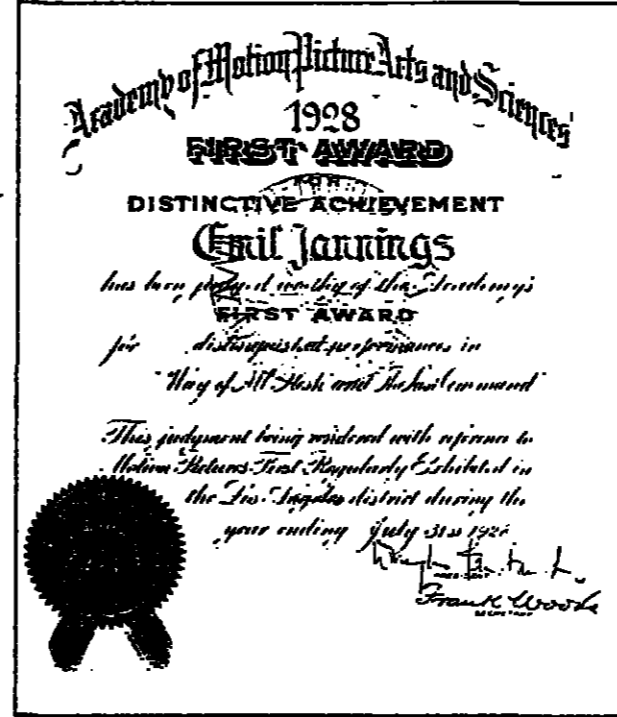
March 22-28, 1986

Next week the film world gives its favourites their prizes. Douglas Thompson reveals the unwritten rules behind the tinsel

Uncle Oscar's billion-dollar baby



Almost ready: The life-size Oscars which will decorate the auditorium get their annual spring clean



(Above left): the first award certificate. (Above right): Current Academy president Robert Wise



Oscar winners (from left): Norma Shearer (1930), Walt Disney (1941), Barbra Streisand (1969) and Warren Beatty (1981)

On Monday afternoon at about 4pm the idling of a couple of hundred stretch limousines... engines, along the aptly-named Grand Avenue in downtown Los Angeles...

is so often blamed for maiming the cinema, is the ironic lifeblood of the Oscar ceremony. It took just under five minutes to hand out the Oscars in 1929. Two years ago it took a record three hours and 40 minutes to present the Awards...

The statuette - depicting a naked man plunging a sword into a reel of film - was designed by a famous MGM art director, Cedric Gibbons. It is 13 1/2 inches high, weighs 6lb 12oz, and is made of bronze coated with 14-carat gold...

who everybody knew was at home dying. Some funny things too. I remember Joan Crawford backstage with a cooler marked Pepsi-Cola - one that was filled with vodka...

SATURDAY

Tragedy queen Eileen Atkins: hopes, regrets and a red-hot temper - page 18

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Advertisement for Langdale holiday homes. 'The place in the Lake District you always promised yourself.' Includes details about the Langdale Partnership and contact information.

Voting is by secret ballot and to guard against fraud, the process is supervised by Price Waterhouse, the accountants. Since surprise became a prime ingredient of the ceremony more than 50 years ago...

1986 CONTENDERS list. Includes Best Film (The Colour Purple), Best Actress (Anne Bancroft), Best Actor (Harrison Ford), and Best Director (Hector Babenco).

Advertisement for La Manga Club holiday resorts in Europe. 'La Manga Club is undoubtedly one of the great holiday resorts in Europe.' Includes details about the club's facilities and contact information.

TRAVEL

Stocking up for summer

TRAVEL NEWS

The Pickford Travel group has snappd up more than 75,000 package holidays from leading tour operators in an attempt to overcome likely availability problems in the summer peak season.



Switzerland: the most expensive skiing in Europe.

In Switzerland will cost almost £249, according to the company, compared with only £159 in Spain or £177 in the UK's leading skiing centre, Aviemore.

Who are these travelling telephones? The first subscribers were at either end of the business scale: blue-chip company chairmen or one-man entrepreneurs to whom availability means money.

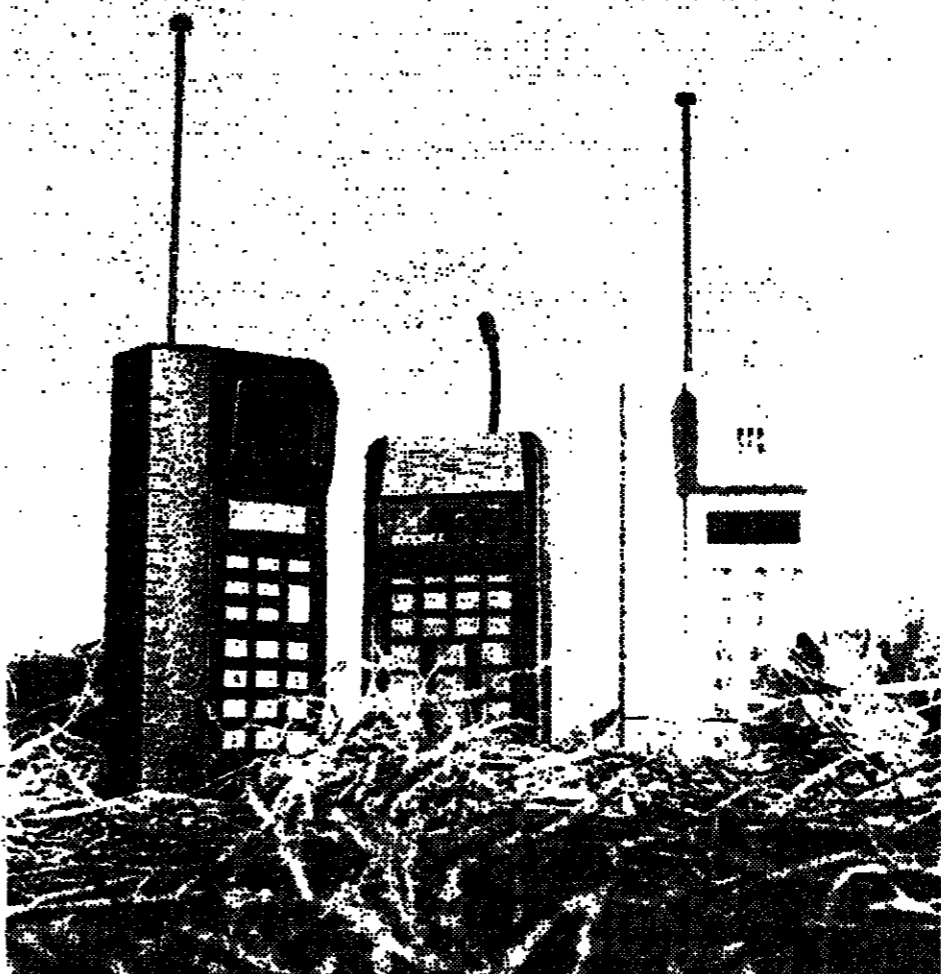
A new guide, published by the English Tourist Board, lists activity and hobby holidays operated by more than 500 organisations throughout the country.

SHOPPING

A revolution with no strings attached

Telephones are not what they used to be. Beryl Downing reveals why thousands are now ringing the changes

A telephone which is small enough to slip into your shirt pocket or handbag - that is the shape of tomorrow's communications. By the end of the century we may all be wearing telephone wrist watches showing television pictures of our callers.



Far afield: three portable cellular phones. From left, British Telecom's Pearl, about £2,200, available in May; Excell, the smallest portable, £1,990; and Vodafone's Roamer £2,285 from Martin Dawes, also available as Answercall's own brand.

Of Dixons and the Betacom C1000 at £89.95 from most branches of Comet. Other companies are hanging fire until the new specifications for cordless telephones are approved later this year.

Again British Telecom has a large slice of the market, but small companies also offer useful models. Novaphone, for example, is a cross between a cellular phone and a bleeper.

With the Novaphone you can be contacted from anywhere in the world and you can also have a limited number of pre-programmed numbers that you can contact.

PHONE BOOK

- Answercall, Kangley Bridge Road, London SE26 (01-859 1033).
Cellnet Centre, 142-148 Goswell Road, London EC1 (01-251 5155).
Excell Communications, Freeport, Excoff House, Cecil Road, Hale, Cheshire (061 941 7006).

rates are about £4.25 per £1,000 per month over five years. Unlike the Cellnet and Vodafone dealers, Jack Goodman, director of Novamast, is an independent specialist and is prepared to give free advice on the type of communications that will be most suitable.

A salesman on the road, he suggests, or someone with a delivery van, would be adequately served by the less expensive type of cellular phone which is fixed in the vehicle, so that head office can keep in touch, re-schedule deliveries or give time-saving instructions en route.

QE2 CONCORDE AND NEW YORK'S WALDORF ASTORIA! From only £1,275. There are many opportunities to experience this fantastic New York holiday - 5 nights on QE2 one-way, 3 1/2 hours on Concorde the other and up to 4 nights in the Waldorf Astoria are included in the price.

Amsterdam Poster. For a free copy of an attractive poster delightfully illustrated by Audible together with our brochure on individual inclusive holidays to this beautiful city, write to: Time Off Ltd, 24 Chancery Lane, London SW1X 7DQ.

Udden 300E, excellent value at £94.50 from all branches of John Lewis. This and the Esprit, right, work on the domestic plug-in jack system available through the normal domestic telephone network and can be mounted on the wall.

TOTTING UP THE BILLS. Table comparing Cellnet and Vodafone charges for connection, subscription, call charges, and minimum call charge.

There are no call charges for incoming calls so if this would be your main use - to be contacted on the move - Vodafone's minimum call charge per month might be a disadvantage, although they are slightly less expensive on cheap rates.

And charging per 12 seconds on peak rate could prove a considerable saving on a large number of calls. Cellnet charges are to be increased from April 1 and Vodafone are likely to make a similar announcement.

The Esprit 1042 by GEC, £139.95. Available from British Telecom shops. It has a good range, and is neat, light and easy to handle.

The network operator (Cellnet or Vodafone) installs the system. The territory is split into small areas or cells measuring anything from four to 30 kilometres. Each cell is served by its own radio transmitter which is linked through regional electronic exchanges to the public telephone network.

France's lake district - a paradise for sailors, walkers, riders and humble car travellers. Le Limousin. Tous ses chemins mènent à la découverte.

New 7-day cruises in the Med, the Fjords or to Leningrad. From only £595. SEVEN DAY SAILAWAYS. A BRAND NEW IDEA IN CRUISING.

THE TIMES GUERNSEY CARDIGAN. Specially selected for Times readers, this versatile Guernsey cardigan is both hard wearing and attractive. Made in 100% pure new wool, the cardigan incorporates those features of the 'guernsey' design that make it immediately identifiable.

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ENTERTAINMENTS

SOUTH BANK CONCERT HALLS

South Bank Concert Hall, Balhayside Road, London SE1 8XQ
ROYAL FESTIVAL HALL
LONDON PHILHARMONIC ORCHESTRA

Barbican Centre, Silk St, EC2Y 8DS
CAP BARBICAN SERIES
LONDON SYMPHONY ORCHESTRA

Good Friday, 28 March 7.00pm Barbican Hall
BACH: ST. JOHN PASSION
ACADEMY OF ANCIENT MUSIC AND CHOIR

Raymond Gubbay presents at the Barbican
MUSIC FROM THE BALLET
ORCHESTRA OF SADDLERS WELLS ROYAL BALLET

WEDNESDAY NEXT 26 MARCH at 7.45 pm
MUSIC FROM THE BALLET
ORCHESTRA OF SADDLERS WELLS ROYAL BALLET

Queen Elizabeth Hall
CITY OF LONDON CHORUS
LONDON SYMPHONY ORCHESTRA

Wigmore Hall
EARL WILD piano recital
LONDON SYMPHONY ORCHESTRA

Barbican Centre
CAP BARBICAN SERIES
RACHMANINOV... Rhapsody on a Theme of Paganini

Barbican Hall
LONDON SYMPHONY ORCHESTRA
BERNSTEIN FESTIVAL

Barbican Hall
LONDON SYMPHONY ORCHESTRA
SCHUBERT-MOZART-MENDELSSOHN

Royal Festival Hall
PHILHARMONIA ORCHESTRA
Principal Conductor: Giuseppe Sinopoli

St John's Smith Square
LONDON SYMPHONY ORCHESTRA
TONIGHT at 7.30 GERSHWIN CONCERT

Barbican Hall
LONDON SYMPHONY ORCHESTRA
ANN RACHLIN and the LONDON SYMPHONY ORCHESTRA

St. Margaret's Church, Westminster
BACH: ST. MATTHEW PASSION
English Bach Festival

St. George's Hanover Square London W1
LONDON HANDEL FESTIVAL
Saturday 8 April

Royal Philharmonic Society
Messiaen
Three Tableaux from ST. FRANCIS OF ASSISI

Barbican Centre
ROYAL CHORAL SOCIETY
Handel... MESSIAH

Barbican Centre
ROYAL CHORAL SOCIETY
Handel... MESSIAH

Brighton Festival
2-25 May 1986
ENGLAND'S MOST COMPREHENSIVE FESTIVAL

Barbican Centre
ROYAL CHORAL SOCIETY
Handel... MESSIAH

Royal Philharmonic Orchestra
Conductor: Sir Alexander Gibson
OPERA GALA NIGHT

Barbican Centre
ROYAL CHORAL SOCIETY
Handel... MESSIAH

Barbican Centre
ROYAL CHORAL SOCIETY
Handel... MESSIAH

Queen Elizabeth Hall
Brighton Festival
2-25 May 1986

Barbican Centre
ROYAL CHORAL SOCIETY
Handel... MESSIAH

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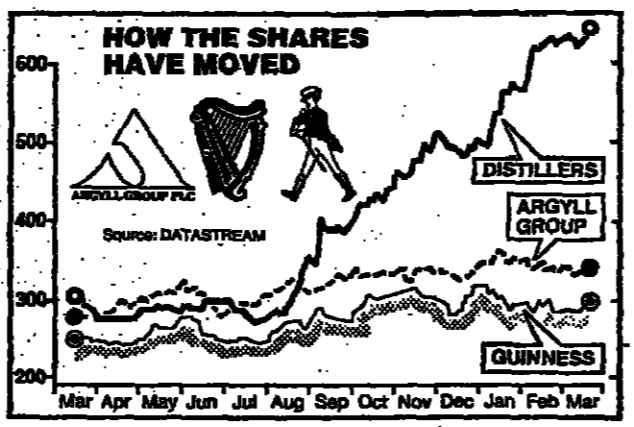
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FINANCE AND INDUSTRY

STOCK MARKET FT 30 Share 14122 (-2.9) FT-SE 100 1688.3 (-1.8) USM (Datastream) NA THE POUND US dollar 1.5110 (+0.0230) W.German mark 3.3877 (+0.0337) Trade-weighted 75.9 (+0.6)

Argyll matches Guinness with 'final' £2.46bn bid

By Jeremy Warner Business Correspondent Mr James Gulliver's Argyll supermarkets group yesterday raised its offer for Distillers to £2.46 billion in a last ditch attempt to bring to an end the bitter four-month-old battle for control of the Scotch whisky producer.



Argyll is offering 125 of its shares, 100 new convertible preference shares and £162.75 in cash. Market sources said the company had considerable difficulty in sub-underwriting the offer among institutional investors, although Argyll claimed that the sub-underwriting had been completed by the end of the day.

Holding raised

Hill Samuel Group is to take up the 70.1 per cent stake in Wood Mackenzie, the Scottish stockbroker, which it does not yet own. The net cost will be £15.2 million, one third of which will be met by an issue of Hill Samuel ordinary shares.

Delta lift

Delta Group, the electrical equipment and industrial services group, made pre-tax profits of £50.6 million in 1985, up from £43.7 million. The dividend is raised by 44 per cent to a total of 6.5p. *Temps, page 24*

Output figures show slower economic growth in 1985

By David Smith Economics Correspondent Official evidence of a slowdown in economic growth - contrasting with the Chancellor's optimism in Tuesday's Budget speech - was released yesterday, in figures showing that gross domestic product rose by just 0.5 per cent between the third and fourth quarters of last year.

Executive Editor Kenneth Fleet

OFT ruling tilts the Distillers scales

The Office of Fair Trading's decision not to recommend referral of the second Guinness bid for Distillers to the Monopolies and Mergers Commission, duly announced yesterday, is undoubtedly correct. Notwithstanding Argyll's instantly revised terms, Guinness is now firmly in the driving seat. Its offer is done a par with Argyll's revised terms as a result of a further weakening in the Argyll share price; it has the option of raising its own bid.

Deep division at the Bank

In sticking rigidly to increasingly outmoded rules, the Bank of England is missing the chance of enabling financial conglomerates to emerge in the City which can rival the best that New York has to offer. Some of the Bank's recent decisions are not only unhelpful, they are inconsistent with its stated wish to see several big, UK owned players in the reshaped securities market.

Spurs stake

Mr Irving Brown, an American property tycoon, has lifted his stake in Tottenham Hotspur, the only British football club with a stock market quotation, to 7.14 per cent.

Bids cleared

The proposed mergers between Waisley-Hughes and Greenwood, and between Wadkin and T. Robinson will not be referred to the Monopolies Commission.

Stake sold

Harvard Securities Group, which this week lost a takeover battle for United Computer and Technology, has sold a 32.38 per cent stake in the company.

Boots cut

Boots is to reduce its holding in its Indian subsidiary, Boots Co India, to 40 per cent from 53 per cent.

Hambros gain

The High Court has agreed to Hambros Bank taking a controlling stake in Bairistow Eves, the quoted firm of estate agents.

Grattan rights

Grattan, the mail-order group, announced a one-for-six rights issue at 37p per ordinary share when it revealed annual pre-tax profits of £16 million, up 66 per cent. The total dividend has been doubled to 6p. *Temps, page 24*

Bid extended

The £173 million bid by Demerger Corporation for Extel, the business information group, has won acceptance on behalf of 0.2 per cent of the ordinary shares and none of the preference shares. The offer, which is conditional on 90 per cent of the shareholders accepting, has been extended until April 11. Extel's shares lost 3p to 390p.

£97 million buyout at Cadbury division

Cadbury Schweppes is selling its food and beverage business to a management buyout team for £97 million - despite higher offers from some of the big names in the industry. The deal will, however, enable Cadbury Schweppes to take up an option to buy 10 per cent in the new operation if it succeeds in its target of being floated on the stock market by 1990.

National Savings to maintain rates

By Richard Thomson, Banking Correspondent The Department of National Savings said yesterday that it had no plans to cut the interest paid on its deposit accounts despite this week's drop in bank and building society deposit rates. It said that for the first time in many years the Government was setting its no annual funding target.

Lloyd's limits two agencies' underwriting

The committee of Lloyd's has told two Lloyd's managing agencies to limit their underwriting on certain syndicates to 85 per cent of the permissible gross limit of business they can write. The syndicates are in danger of overwriting and the committee has taken action after previous overwriting problems at the two agencies.

Investment group offers \$1bn for Washington airports

From Bailey Morris, Washington A British investment group has offered more than \$1 billion (£666 million) to buy Washington's two main airports. But the proposal ran into strong opposition and was withdrawn after a special commission, headed by Mr Linwood Holton, a former governor of Virginia, recommended they be transferred to control of a regional authority for \$47 million.

MARKET SUMMARY STOCK MARKETS FT 100 1688.3 (-1.8) USM (Datastream) NA THE POUND US dollar 1.5110 (+0.0230) W.German mark 3.3877 (+0.0337) Trade-weighted 75.9 (+0.6)

CURRENCIES London: \$1.5110 £1.0000 DM2.3877 Sfr2.2850 FF10.4189 Yen285.70 Indec75.9

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Vertical text on the right edge of the page, likely containing financial data or a sidebar.

THE TIMES Portfolio

From your portfolio card check your eight share price movements. Add them up to give you your overall total. Check this against the daily dividend figure published on this page. If it matches you have won outright or a share of the total daily prize money stated. If you are a winner follow the claim procedure on the back of your card. You must always have your card available when claiming.

Table with 3 columns: No., Company, and Year. Lists various companies and their performance metrics.

Weekly Dividend table with columns for Mon, Tue, Wed, Thu, Fri, Sat, and Weekly Total.

BRITISH FUNDS table with columns for High, Low, and Price.

SHORTS (Under Five Years) table with columns for Stock, Price, and Dividend.

FIVE TO FIFTEEN YEARS table with columns for Stock, Price, and Dividend.

OVER FIFTEEN YEARS table with columns for Stock, Price, and Dividend.

UNDATED table with columns for Stock, Price, and Dividend.

INDEX-LINKED table with columns for Stock, Price, and Dividend.

BANKS DISCOUNT HP table with columns for Bank Name, Price, and Dividend.

ELECTRICALS table with columns for Company, Price, and Dividend.

STOCK EXCHANGE PRICES Shares turn mixed

ACCOUNT DAYS: Dealings began March 10. Dealings end March 27. Contango day April 1. Settlement day, April 7. Forward bargains are permitted on two previous business days.

BREWERS table with columns for Company, Price, and Dividend.

BUILDINGS AND ROADS table with columns for Company, Price, and Dividend.

FINANCE AND LAND table with columns for Company, Price, and Dividend.

FOODS table with columns for Company, Price, and Dividend.

CHEMICALS, PLASTICS table with columns for Company, Price, and Dividend.

CINEMAS AND TV table with columns for Company, Price, and Dividend.

DRAPERY AND STORES table with columns for Company, Price, and Dividend.

INDUSTRIALS A-D table with columns for Company, Price, and Dividend.

INDUSTRIALS E-K table with columns for Company, Price, and Dividend.

INDUSTRIALS A-D table with columns for Company, Price, and Dividend.

INDUSTRIALS E-K table with columns for Company, Price, and Dividend.

FINANCE AND LAND table with columns for Company, Price, and Dividend.

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INDUSTRIALS E-K table with columns for Company, Price, and Dividend.

THE TIMES Portfolio

DAILY DIVIDEND £2.00 WEEKLY DIVIDEND £40.00. Claims required for +35 points. Claimants should ring 0254-53772.

OVERSEAS TRADERS table with columns for Company, Price, and Dividend.

PAPER, PRINTING, ADVERTISING table with columns for Company, Price, and Dividend.

PROPERTY table with columns for Company, Price, and Dividend.

MINING table with columns for Company, Price, and Dividend.

SHIPPING table with columns for Company, Price, and Dividend.

SHOES AND LEATHER table with columns for Company, Price, and Dividend.

TEXTILES table with columns for Company, Price, and Dividend.

TOBACCO table with columns for Company, Price, and Dividend.

Oil table with columns for Company, Price, and Dividend.

Newspapers and Publishers table with columns for Company, Price, and Dividend.

WALL STREET

New York (AP-DP) - A powerful blue-chip rally lifted the broader market to higher levels on Thursday as the Dow Jones industrial average closed its first close above the 1,500 level...

Table with columns for stock symbols and prices, including AMR, ASA, and various other equities.

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FOREIGN EXCHANGES

Table showing Sterling Spot and Forward Rates for various currencies like N York, London, and others.

Table showing Dollar Spot Rates for various countries including Ireland, Singapore, Malaysia, and others.

Table showing Money Markets and Gold prices, including Euro Money Deposits and Gold prices.

Table showing London Financial Futures for various contracts like Three Month Sterling, Six Month Sterling, etc.

Table showing Canadian Prices for various commodities and currencies.

Table showing various market data and prices, including different types of bonds and securities.

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COMMODITIES

Table showing LONDON COMMODITY EXCHANGE prices for various goods like Sugar, Cocoa, and others.

Table showing LONDON METAL EXCHANGE prices for various metals like Copper, Zinc, and others.

Table showing LONDON GRAIN FUTURES prices for various grain types like Wheat, Barley, etc.

Table showing LONDON MEAT AND LIVESTOCK prices for various types of meat and livestock.

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THE TIMES INFORMATION SERVICE

Large table containing various financial data, including company names, prices, and market indicators.

Bank looks at off-balance risk

By Richard Thomson, Banking Correspondent

The Bank of England has taken a further step towards regulating the off-balance-sheet banking business with the publication of an important and wide-ranging consultative document.

The Bank aims to introduce a comprehensive range of new risk/asset ratios to apply to this rapidly growing business before the end of the year.

The move follows the publication last week of the paper on the risk problem by the Base Committee.

Off-balance-sheet business includes guarantees and commitments taken on by banks which involve a degree of risk

but are not covered by the supervisory rules governing conventional bank lending.

Over the last two years the mushrooming of off-balance-sheet business by banks has caused supervisors increasing concern.

The Bank says that such risks may slip through the existing reporting and control systems of the banks and can escape the notice of senior management and auditors.

This has come about, the document says, because of the novelty and complexity of the more recently developed off-

balance-sheet instruments and the absence of accounting discipline in comparison with conventional on-balance sheet assets.

The document concentrates on the problem of assessing the credit risk involved in different types of off-balance-sheet transaction and attempts to set up a "hierarchy of risk".

This could then be included in the existing structure of risk asset ratio weightings imposed on conventional banking business.

The paper invites banks to reply to its proposals and does

not put forward specific risk/asset ratios to govern off-balance sheet risk. The blanket 0.5 per cent weighting on certain new forms of risk imposed by the Bank last year will remain in force until the new set of weightings are introduced.

The document divides off-balance-sheet risks into various types, including guarantees and other contingent commitments and foreign exchange and interest rate related transactions such as swaps.

It suggests alternative ways in which the risk in certain

types of business could be assessed but comes to no conclusions.

But it says that the traditional "snapshot" approach to assessing conventional banking risk was probably not appropriate for off-balance-sheet business which required a more forward looking approach.

Supervisory bodies in other countries such as Japan and the US are also moving towards a more effective method of regulating off-balance-sheet risk, but the Bank of England appears to be the furthest advanced in reaching a solution.

Cotton industry spins a new prosperity

By Our Correspondent

There are signs of renewed hope and prosperity in the Lancashire cotton business. Over the past five years there has been a quiet revolution in this traditional manufacturing industry, for so long displaced in the favour of the financial community by more fashionable sectors.

That revolution shows most clearly at Peter Reed Textiles in Nelson, one of the heartlands of the old north Lancashire cotton textile belt. A private firm employing 60 people, this leading weaver and manufacturer of bed linens has just opened a new, £750,000 factory.

The 14,000 sq ft building nestled against the Pennine foothills, on a new industrial estate in the Pendle Enterprise Zone, is significant not only for this 27-year-old family-run company, but also for the industry, since it is the first purpose-built weaving shed opened in north-east Lancashire for more than 60 years.

Its outer appearance owes nothing to the traditional architecture of textile mills — and nor does the interior, with its bright lighting and air-conditioning, recall the damp valley sites that spawned the original cottage spinners and weavers who were the precursors of the industrial revolution. Where it does draw on tradition is in local labour skills, which are fortunately still present.

With access to markets no longer a problem since the advent of motorways, the cotton sheets and pillow cases of this Lancashire company have found their way into the beds of cabinet ministers and even royalty, via London shops.

Mr Peter Reed, founder and managing director, said:



Quiet revolution: Peter Reed (left), of Peter Reed Textiles, with Kenneth Clarke, Paymaster General.

"We've got most of the retail market here and there's very little more we can do with the up-market sector in the UK, apart from selling more of our product."

The company has thriving export markets in Australia, the Middle East and the United States, and is soon to start selling in Hong Kong.

Now, after 15 years building up its trade name, it is soon to go a step further and sell direct to the public, initially by mail order through the glossy coffee-table magazines.

Mr Reed typifies the new breed of hard-headed textile

manufacturer which has emerged from the latest recession. Born into a prominent north Lancashire textile family whose fortunes were founded in the Victorian era, he saw the demise of his old family firm in the early 1950s.

Not easily deterred, he started again in 1959 by buying old looms, but weaving much better quality cloth. Watching cotton trading come to a final close on the floor of Manchester's Royal Exchange in 1963 made him realize that the company had to change tack. "The only way to remain in business was to cut out the

middleman and go direct."

Working on wholesalers' margins has increased profits substantially over the years and enabled the company to plough money back. Re-equipping has been continuous and is still going on.

The majority of the 44 looms are under 10 years old and four new Belgian flexible rapier looms, just installed at a cost of £30,000 each, are the first of their kind in Britain.

These looms have done away with shuttles, and are characteristic of the new fully automatic, microprocessor-controlled machines being installed by the industry.

For Peter Reed they will produce 15 per cent more cloth and add a 20 per cent to the £2 million turnover. But despite this continuing expansion, the number of jobs at Reed, as elsewhere, is unlikely to increase.

In the Pendle area, where cotton textiles were once dominant, the industry is still an important employer, accounting for about 10 per cent of the estimated 30,000 in Britain's cotton and allied textile industry.

Independents like Reed are thin on the ground and almost all have been forced to seek direct access to retailers by carving out specialized market niches. Only three or four weavers of any note remain in the area.

The bulk of British textile production is concentrated in the hands of the relatively few large conglomerates — Courtaulds, Dawson, Tootal and Vantona Viyella in particular. And the changes of the last five years have not been painless for them either: all have been radically affected by closures and undergone drastic rationalization.

'Discovery' in £30m scheme

By Judith Huntley, Commercial Property Correspondent

Captain Scott's ship, *The Discovery*, is to be the centrepiece of a £30 million tourist and retail development on the waterfront at Dundee.

The enterprise zone development is being carried out by the G A Group, the successful management buyout (formerly known as Gilbert Ash), the National Leasing and Finance Company (part of the quoted International City Holdings group) and the Scottish Development Agency.

The attractions of the enterprise zone tax allowances have made the project commercially viable, and the SDA will provide money for the infrastructure in return for a share of development profits. The tourist and heritage centre will be financed by the commercial elements of the scheme.

There will be a 65,000 sq ft superstore, with 60,000 sq ft of retail warehousing and 20,000 sq ft of offices and craft workshops.

Associated British Foods is to operate the 10 fast food outlets. AMC, the United States cinema operator, is to provide an eight-screen cinema in the complex similar to the one it has at Milton Keynes, Buckinghamshire.

National Leasing and Finance, which has arranged funding ventures in Britain's enterprise zones, will package the finance for the Dundee project. A big British bank may provide the long-term finance to take advantages of enterprise zone tax allowances.

How much money do you lose by saving?

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The FT lists 89 international trusts.

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General Information

Applications will be acknowledged on receipt of your instructions and unit certificates will normally be despatched within 4 weeks of the purchase date. Units may be sold back at any time at the bid price ruling on receipt of your instructions, and payment will normally be made within 7 days of receipt of your renounced certificate(s). Prices of units and yields are quoted daily in the Financial Times and displayed on Prestel page 24814434.

An initial charge of 5% is included in the offer price out of which the Managers will pay commission to qualified agents (rates available on request).

The Trust Deed permits a maximum annual charge of 1 1/2% (plus VAT) but the charge is currently set at only 2% (plus VAT) per annum and any change is subject to 3 months' notice.

Net income is payable to income unit holders on 15 April and 15 October each year and carries a tax credit at the basic rate of tax (first distributed 15 October 1985). The estimated initial gross yield is 2% per annum.

Managers: Scottish Widows Fund Management Limited, 15 Dalkeith Road, Edinburgh, EH16 5BU. Telephone: 031-689 3724. Member of the Unit Trust Association. Trustee: The Royal Bank of Scotland plc. The offer is not available to residents of the Republic of Ireland.

To: Scottish Widows Fund Management Limited, FREEPOST, 15 Dalkeith Road, Edinburgh, EH16 5BU. (Dealing Department telephone: 031-668 3724.)

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 Postcode _____
 Date _____
 Signature(s) _____
 Name and address of financial adviser if any _____



The new way to find losses for profit

CAPITAL GAINS

The accountant Jack Harper of Spicer and Pegler has come up with a neat angle on the capital gains tax rules which has interesting tax saving implications for all building society investors.

Mr Harper believes that because of the indexation provisions contained in the 1985 Finance Act, which allows you to use indexation to create a notional loss, building society investors can "bed-and-breakfast" their shares in the building society to create notional losses. These can be offset against profits made in equities.

Though few people realize it, when they open an ordinary account or extra interest account with a building society, what they are actually doing is buying shares in the society. And Mr Harper believes that because they are shares, you can use the indexation provisions to create notional losses.

"Building society shares are not prevented from producing allowable losses, although building society deposits are," explains Mr Harper.

assets that have not actually appreciated in value.

What Mr Harper is saying is that since 1982, the date from which indexation is calculated, inflation has totalled 20 per cent or thereabouts.

This means that if you had £1,000 in a building society on that date and have subsequently left it untouched, you could now have a notional loss of £200 which could be offset against profits on equities.

You have not actually lost anything at all but what the indexation rules take into account is the 20 per cent less buying power that your £1,000 investment now has - hence the notional loss.

"An allowable loss will be valuable to two categories of

'The procedure is straightforward'

investors," says Mr Harper. "That is, those who have sufficient net capital gains in excess of the 1985-86 exemption of £5,900 to fully utilize the loss in reducing their assessments to tax, or those with no net 1985-86 gain who wish to establish an allowable loss for carry-forward against gains in 1986-87.

Inflationary gains can be discounted

"The tax legislation consistently distinguishes between building society shares and deposits. The disposal of building society shares can therefore establish allowable losses to the extent of the indexation with the amount of loss approaching 20 per cent of cost for shareholders who had money in building society share accounts prior to April 6, 1982."

What the indexation rules allow you to do is to discount any gains which are purely inflationary. And since 1985 you can actually establish a loss, to take account of inflation, on shares and other

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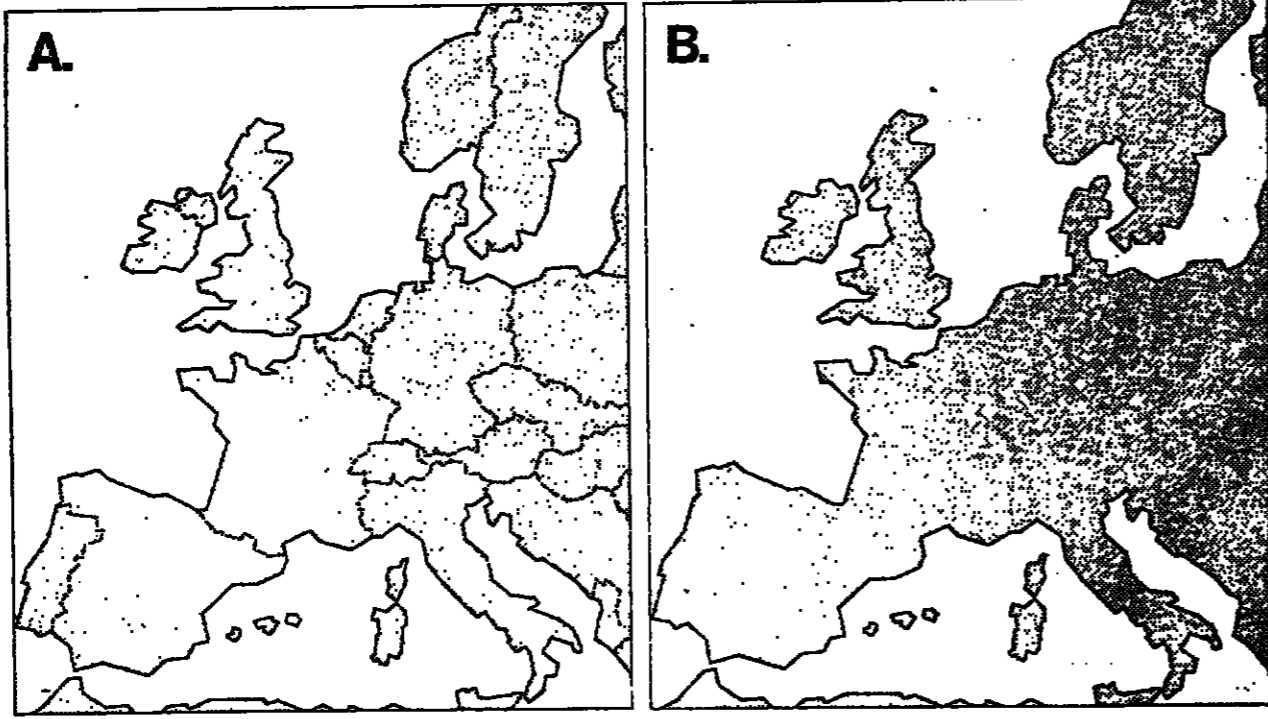
HOW TO CALCULATE YOUR B&B

Mr A opened a building society share account on April 7, 1982 with £20,000. The dividends are paid direct to his bank. The Retail Prices Index for April 1982 was 318.7.

On April 1, 1986 Mr. A reduces his shareholding by withdrawing £10,000. The RPI for April 1986, published in May, is, say 385.0. The allowable losses can be calculated as follows:

Proceeds	£	10,000
Indexation relief:		
385 - 318.7 x 10,000 =	+	2,043
		318.7
		12,043
Cost (part of £20,000)	-	10,000
Available loss		2,043

Lorna Bourke



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"Last year, Nationwide was able to put more building back into society than ever before."

1985 was a year of record achievements for Nationwide. It was the year that the Society's assets passed the £10,000 million milestone - an increase of 17.8%. And it was the year that mortgage lending reached a higher level than ever before.

On the investment side, 753,000 new accounts were opened, bringing the total of savers to 3,405,000.

1985 also saw the introduction of two imaginative new savings schemes; Bonus-Builder, launched to immediate success, and FlexAccount CashLink, which marked the arrival of Nationwide's automatic cash machine network.

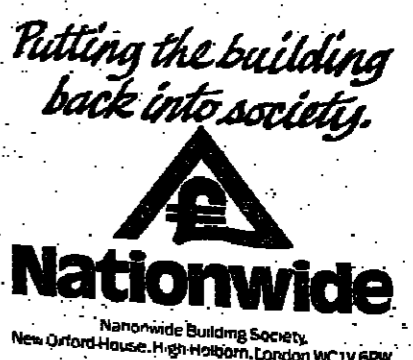
At the same time, Nationwide made a pioneering Eurosterling issue, raising £200 million for further mortgage lending.

This helped to make 1985 a record year for borrowers too, with mortgage advances reaching £2,299 million. This provided 87,900 buyers, more than in any previous year, with funds to purchase homes.

For Nationwide, 1985 was a year that firmly reinforced the Society's belief that the more we can help people to build their savings, the more we can help people to build homes. To that end, we look forward to the new oppor-

tunities presented by the Building Societies Bill, enabling the Society to offer an even wider range of services.

For a copy of the Nationwide Annual Report and Accounts for 1985, write to: Nationwide Building Society, FREEPOST, London WC1V 6XA.



FAMILY MONEY/2

BES survives with just a note of caution

BUSINESS EXPANSION

The Chancellor's Budget changes to the Business Expansion Scheme will have a substantial effect on the structure of new BES companies and must cast doubt on the status of some of the schemes currently on offer.

It is no longer as clear-cut whether investors in some schemes will be entitled to tax relief on money invested in these BES companies.

Potentially the most controversial proposal is the Chancellor's attempt to curb secured asset-backed schemes.

The proposal on the table at the moment is that, as from Budget day, companies must not have more than half their net assets held in land or buildings for the first three years following the issue of shares, or the date when they start trading, if this is later.

There were a number of ways in which it was rumoured that secured asset-backed schemes would be taken outside the ambit of the BES.

Some observers suggested that the Chancellor would put a total ban on companies seeking more than £500,000 under the BES. Others thought that "secured asset backing" or some such similar phrase would be defined and outlawed in the legislation.

The current proposal clearly leaves scope for anomalies.

Keith Moss, of Lancashire and Yorkshire Investment Management, quotes an example of a genuine trading company which owns a factory in an area that suddenly booms on the property market - say, because of a new motorway proposal or a hypermarket being built next door.

The boom in prices could easily push the company over the 50 per cent limit introduced in the Budget.

At the moment the relevant sections of the Finance Bill have not yet been fully drafted. So anomalies such as these may yet be tackled. The position of leaseholds may also be more fully explored in the Finance Bill.

There should, in theory at least, still be scope certainly for pub schemes and probably for hotel schemes to raise money under the BES. Their much vaunted security through assets, often a spare and an illusion, will simply be watered down.

Similarly, it is by no means certain yet whether the inclusion of ship chartering of UK-registered ships within the scheme will allow BES yacht companies to flourish.

But the farming and property development companies are definitely allowed to gain. They will simply have to be at least 50 per cent geared, which in the case of property development companies will often be the case.

Swift slap on the wrist is the safeguard

Charles Fry, of Johnson Fry, says: "It seems that provided you borrow heavily enough, you will qualify."

He is certainly considering possibilities in the property development line, including some more money for the existing Johnson Fry-sponsored property development companies.

But the most important amendment announced in the Budget is the power to enable the Government to change the rules on what is or is not a qualifying trade by statutory instrument rather than primary legislation.

This effectively clobbers the yearly beat-the-Budget stampede in which investors rush to buy shares in those "safe" ventures for which a Budget clampdown is expected. The new power appears to be the best safeguard towards

ensuring that the spirit of the scheme is observed.

If, for instance, a sponsor comes out with a scheme that slips through the rules but offends the principles of the BES, a swift slap on the wrist with a statutory instrument will ensure that others do not follow suit.

It may be that the Treasury will use the newly found power at the stage where the particular sponsor seeks provisional clearance from the Inland Revenue. In other words, the potential abuse of the BES would be killed off even before emerging into the light of day.

So what should investors who want to invest in BES companies which own or plan to own substantial elements of land and buildings do?

The answer must be that there is certainly a risk if you invest before the Finance Bill is published - usually in May or June, but certainly after the end of the tax year.

You could invest on the basis that your subscription must be returned if the company will not qualify under the new proposals. But getting money back once you have parted with it is not always easy and there could be long arguments over the interpretation of the Bill and the actual agreement to return subscriptions.

Readers of Family Money will know that we have warned in recent weeks that asset-backed schemes could be jumped on in the Budget. But this clampdown was not the only move made on the BES front.

On the encouragement front is the proposal that BES shares issued after March 18 will be exempt from capital gains tax on their first disposal. Bear in mind that it is new BES shares only that are exempt.

So all those people who rushed to beat the Budget and had shares issued to them on or before Budget day will not qualify for this CGT exemption.

BUSINESS EXPANSION COMPANIES

Table with columns: Company, Activity, Sponsor, Telephone, Indiv Min, Closing Date. Lists various businesses like Acorn Hardware, Alan Paul, Alliance Asset Mgmt, etc.

Moreover, it is only the first disposal - in other words the first sale or gift - which is exempt.

Those companies seeking to raise BES money for fine wine and antiques are going to have a much tougher time of it.

BES relief will no longer be available for wholesalers or retailers trading in goods of a kind which are not collected or held as investments if the company does not actively try

to trade them. Fine wine and antiques are classic instances which will fall foul of this amendment unless they are actively traded.

The practice of BES wine wholesalers "trading" by shunting their wine stocks from wholesaler to wholesaler, has been curbed by the new proposal that BES relief will not be available for wholesale trades which do not sell their goods to retailers.

Another welcome amendment is the provision for joint applications for shares issued after March 18 to be eligible for relief. This will, for instance, allow a husband and wife to apply in their joint names.

Overall, it isn't really bad news for investors - you are just going to have to be a lot more careful.

Lawrence Lever

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BRITANNIA VIEWPOINT: LOOKING AT UNIT TRUSTS. PROSPECTS BRIGHT FOR PROPERTY SHARES. PROPERTY is going up. In London's golden square mile, prime-site City rents are forecast to rise 15% this year from the present all-time high of £35 per sq ft. Other property sectors are also showing signs of vigour. Demand for large out-of-town retail sites, for high-tech industrial units and for domestic houses and flats is firm. The reasons for this advance are strong indications of growth from the economy. Also, over a wide area of the South-East, a boom has been created by the long-awaited M25 link-up - a further boost to property demand is likely following the Channel Tunnel agreement. This upsurge should be good news for property companies, which look set for a period of sustained growth. Unit trust investors in this sector have done well from funds such as Britannia Property Shares Trust, and they should do better still in the next few years. Unit holdings now £22.9 billion. THE TOTAL value of investments in unit trusts at the end of February rose to £22,940 million, a record for this thriving U.K. industry. With 864 funds to choose from, investors can direct their money much more profitably among unit trusts than in more limited areas such as building societies. In its guide to how unit trusts work, Britannia divides funds into four broad categories. Income funds are what they say: planned for people who need as much regular income as possible. Growth funds should be the core of portfolios that are designed to produce high long-term capital growth. Specialised geographic funds are for investors with a belief in the economies of one area, say, Europe, Japan, U.S.A., Hong Kong, Australia, U.K., etc. Specialised sector funds are for more experienced investors with particular interest in areas such as technology, energy, commodities or the leisure industry. This Britannia guide is available free on request.

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FAMILY MONEY/3

Funds for going foreign

CURRENCIES

Show a small businessman with cheques made out for a few Deutschmarks or yen and he will end up out of pocket because of the bank charges.

But any businessman who gets a regular flow of payments in foreign currencies can sidestep the charges by channeling the money into a money fund.

At the Good Book Guide - a sort of postal bookshop for expatriates - customers are encouraged to use credit cards in spite of the charges. But if customers insist on sending a foreign currency cheque they have to add the equivalent of £1.50 to the bill to cover the cost of bank charges.

"That probably does not always cover the cost of banking the cheque," says the chairman Peter Braithwaite. "But, after all, we cannot charge customers anything to cover the cost of credit card commission."

The average book order received by The Good Book Guide is £30, but a bundle of cheques can be processed together so the cost comes down to something like £1 a cheque.

Eurocheques are increasingly being used, which means expats can write cheques in sterling and there are no extra charges for banking them.

Sterling cheques drawn on non-UK banks are just as inconvenient as foreign currency cheques. They still have



month Old Court Currency Fund - Rothschild's distributor fund - was paying the following rates after deduction of the 1.01 per cent service charge: Sterling 11.5 per cent, US dollars 6.5 per cent, Deutschmarks 3.5 per cent, and yen 4.9 per cent. There are 16 currency units, including the ECU as well as a managed currency share, priced in sterling.

There are no charges for paying in cheques in any currency, no charges for switching between currencies and no spread between the buying and selling prices of the currencies. Most important, there is no minimum opening balance - although if you tried proffering \$10 you would not expect a warm welcome.

At Guinness Mahon the minimum in the roll-up is the equivalent of \$3,000 and in the distributor fund, at Global Strategy it is £1,000 and the yields are similar to those at Old Court.

"We have some small and medium-sized businesses who use the fund to manage their liquidity," said Howard Flight, who manages Guinness Mahon's currency funds.

Small businesses can use the roll-up funds to defer a tax liability because the gain does not crystallize for tax purposes until the rolled-up interest and capital is withdrawn from the fund. Companies in cyclical

PLATINUM A UNIQUE INVESTMENT

Platinum is one of the rarest metals on earth and one of the most valuable. It is produced in exceptionally small quantities and the total world output is only around 80 tonnes annually, compared with about 1,200 tonnes of gold.

Much of the platinum produced is used in a rapidly growing range of high technology applications and a significant proportion is made into jewellery. Consequently the metal is always in demand. It is also a readily tradable commodity.

Now Johnson Matthey platinum bars are available to the private investor. Of course, like any other investment, the value of platinum can fall as well as rise, particularly in the short term. But the price in sterling has nearly quadrupled during the past decade and over a similar period it has easily outperformed inflation, too.

Johnson Matthey platinum bars are produced in eight sizes up to 100g, each one being individually numbered. You can take possession of the bars in the UK, in which case VAT must be charged. Alternatively, they can be held in safe keeping at our vaults in Jersey or Zurich, in which case no VAT is payable on the value of the bars.

Should you wish to sell your bars we guarantee to repurchase them at any time. For full information on Johnson Matthey platinum bars, and an application form, simply complete and send the coupon by Freepost.

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B.E.S. TAX RELIEF 1985/86

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Bank charges for banking foreign currency cheques

Bank	Barclays	Nat West	Midland	Lloyds*
Rate (%)	0.25	0.25	0.25	0.20
Min (£)	3	4	5/10**	3
Max (£)	30	50	60	30

* Lloyds rates are guidelines from head office, but branch managers have considerable discretion.
** Midland charges a flat £5 for cheques up to £100 and a minimum of £10 for cheques worth more than £100.

Vanguard A Double First!

For the second year running, Vanguard Trust Managers won the Observer "Small Unit Trust Group of the Year" Award. The average gain of our four funds was 36.7% - better than all other unit trust groups.

We have also been awarded the Money Management "Small Unit Trust Management Group of the Year" Award for 1985. We were the only group, by their criteria, to have achieved 100% above-average performance over one and three years.

A contributory factor was the performance of Vanguard Special Situations Trust, the only Unit Trust to have been one of the ten best performing UK Growth funds over the last one, three, five and seven years.

Short term performance is often a fluke - long term performance is not.

A Proven Performance Record
Over one, three, five and seven year periods, the trust is among the Ten best performing U.K. Growth Funds*, registering gains of 32.6%, 170.3%, 319.7% and 411.9% respectively. No other U.K. Growth Fund has managed to perform so consistently.
*Money Management figures to 1st February 1986. Offer to bid, including net reinvested income.

Investment Objectives
The investment policy of this Trust is to provide capital growth from an actively managed portfolio consisting of shares of smaller companies and carefully selected special situations. These could be companies that have fallen on bad times, but are now turning round; they could be companies that look ripe for a take-over or perhaps companies with new, innovative products. We also have the power to invest up to 25% of the Trust in USM stocks, as well as in traded options in accordance with the guidelines set by the Department of Trade.

You should remember that the price of units and the income from them can go down as well as up.

An Envious Pedigree
Vanguard Trust Managers is the wholly owned subsidiary of stockbrokers Capel-Cure Myers, one of the City's most quoted and authoritative sources on investment topics. They currently look after over £1 billion of funds on behalf of institutional, private and pension fund clients. Since 1985 they have been a member of the ANZ Group, a major international bank with a worldwide network of offices and with balance sheet footings exceeding US\$30 billion.

Act Now
To invest in this Trust, please complete this application form and send it to the Managers. For your guidance only, the offer price* of units on 20th March 1986 was 42.4p per unit. The Estimated Current Gross Yield is 2.58%pa.
*9 for 1 split of units on 2 January 1986.

To: Vanguard Trust Managers Ltd, 65 Holborn Viaduct, London EC1A 2EU. Telephone 01-236 3053.

I/We wish to invest (minimum £500) £_____ in the Vanguard Special Situations Trust at the offer price ruling on receipt of my application. A cheque is enclosed, made payable to Vanguard Trust Managers Ltd.

First Names (in full) _____
Surname (Mr/Mrs/Miss) _____
Address _____
Postcode _____
Signature _____ Date _____

The nine lines for tax tips

If you are puzzled about what the Budget means in tax terms you can get free tax and general money advice from a team of more than 300 chartered accountants who will be manning telephones for eight days before the end of the tax year.

The Moneyline service organized by the Institute of Chartered Accountants to promote chartered accountants' special expertise will operate from nine regional centres. Last year only London accountants mounted the service, and in nine days received more than 1,200 calls. Predictably most (40 per cent) were about income tax, but others were about capital gains tax, savings and investment, VAT and business problems. One caller even asked what to do with a large collection of unused postage stamps.

If your problem is too complicated for general telephone advice, the chartered accountant at the end of the line will refer you to the inquiry service run by the London Society of Chartered Accountants (01-628 2467). They will pass on the names of three accountants specializing in your type of problem. This service dealt with 900 callers last year.

"We expect a lot of questions to Moneyline about the new inheritance tax and personal equity plans," said Peter Wyman of Deloitte Haskins and Sells.

The Moneyline service will operate from Monday, March 24, to Thursday, March 27, and then again after Easter from Tuesday, April 1, to Friday, April 4, from 2pm to 7 pm. London - 256 5312; Liverpool - 236 1235; Manchester - 228 7846; Newcastle - 320312; Leeds - 445887; Wolverhampton - 50733; Bristol - 293922; Maidenhead - 29955 and Braintree - 211825.

VG

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- Tax relief at a minimum of 30% and a maximum of 60% on each contribution.
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To: New Business Department, The London Life Association Limited, Freeport, 100 Temple Street, Bristol BS1 6YJ (no stamp required). The London Life's retirement savings plan is not open to everyone. To find out whether you are eligible, complete the coupon today.

Name _____ Date of Birth _____
Address _____ Postcode _____ Preferred Retirement Age _____
Amount of Monthly Savings _____ Tax Rate _____
Are you a member of a Company Pension Scheme? _____
Tel. Nos: Business _____ Home _____
(Alternatively, if you prefer you can call Carole Woodyer or Sally Hill on 0800-717111 - free of charge.)

London Life - over 175 years of assurance

FAMILY MONEY/6

Jobs in the sights

A number of Budget measures were aimed at stimulating enterprise and employment.

For a start the Enterprise Allowance Scheme - whereby the unemployed satisfying various conditions can apply for a £40-a-week grant to start their own business - is being expanded to take in 100,000 applicants a year, rather than 65,000.

The loan guarantee scheme has survived the Chancellor's axe, which some thought might fall on it. The guarantee, which the Government gives to the lending institution advancing money to the borrower, remains at 70 per cent of the loan.

Capital Gains Tax: If anything it was capital gains tax, rather than capital transfer tax, that has seemed under threat from the Chancellor's guillotine.

Nazi Pensions: Certain pensions under the laws of Austria and the Federal Republic of Germany to the victims of the Nazi regime are to become exempt from income tax from the next tax year.

BUDGET BRIEFING

These pensions are paid on the basis that the pensioner has been deprived of qualifying service or unable to make pension contributions because of persecution.

Reduction of basic rate tax to 29 per cent will have an impact on a number of transactions - apart from merely signifying a reduction in the tax bill.

This applies to payments due under the covenant from April 6 onwards. If the covenant is expressed in gross terms, i.e. "£100 a year", then the net payment received by the person or body you covenant to will be increased by £1 since £29, rather than £30 is deducted by the giver.

Another area where the tax reduction will affect most people is mortgage interest relief. From April 6 income tax will be deducted from the interest payments falling within the MIRAS scheme at 29 per cent rather than 30 per cent so there will be a slight increase in the interest payments you make.

For those getting higher rate tax relief on their home loan the net cost may remain the same depending on how much of the mortgage interest relief is offsettable against higher rates of tax.

For the basic rate taxpayer with a £20,000 home loan at 13 per cent, monthly repayments will go up from £151.66 to £153.83 a month.

AGE ALLOWANCE

Pensioners got a better deal on personal tax allowances when age allowances were increased by just over the inflation rate.

The income limit above which age allowances start to be clawed back has also been raised from £8,800 (1985-86) to £9,400 (1986-87).

Elderly people will also benefit from the fact that the July increase in pensions will be tax-free for 1986-87 - the increase, not the entire pension.

MARRIED COUPLES

Increases in personal allowances mean that generally where both partners in a marriage are working, it will pay to opt for separate taxation (not to be confused with separate assessment) when joint earnings top £26,520, of which the wife's earnings must total at least £6,986.

Lawrence Lever

TAX RELIEF THIS YEAR No Capital Gains Tax on this investment on first disposal BIRMINGHAM EXECUTIVE AIRWAYS PLC

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For a copy of the prospectus, post this coupon or telephone Norman Rowland, Smith Keen Cutler on 021-643 9977 during usual business hours.

To: Smith Keen Cutler, Exchange Buildings, Stephenson Place, Birmingham B2 4AN. Please send me the Birmingham Executive Airways PLC Offer for Subscription. Surname (Mr/Mrs/Miss) Initials This advertisement does not constitute an offer to subscribe for shares. Address Telephone Number

Bank of Ireland announces that with effect from close of business on 21st March 1986 its Base Rate for lending is reduced from 12½% to 11½% per annum

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NEW INTEREST RATES Notice to Account Holders Midland Savings Accounts Gross interest % p.a. Net interest % p.a. Gross Equivalent to a Basic Rate Taxpayer % p.a. With effect from 19th March 1986 7.69 Deposit Account 5.75 8.21 10.37 Griffin Savers 7.75 11.07 With effect from 20th March 1986 10.37 Monthly Income Account 7.75 11.07 8.03 Saver Plus £100+ 6.00 8.57 9.36 £500+ 7.00 10.00 10.37 £1000+ 7.75 11.07 Save and Borrow Accounts With effect from 18th April 1986, interest paid on credit balances will reduce by 1% to 5.75% net per annum. For those customers who receive interest gross, the rate will reduce to 7.69% p.a. Interest charged on overdrawn balances will reduce by 2% to 21% APR 22.7%. Midland Bank Midland Bank plc, 27 Poultry, London EC2P 2BX.

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Not many international fund managers can claim the satisfaction of saying 'I told you so'. But the latest figures on the performance of three major funds within the Global Strategy Fund, from Money Management, show just how well our investment managers have worked for investors in our funds. Over one year the Managed Currency Fund and UK Equity Fund are each TOP and the European Fund is second in the league tables. Furthermore we offer investors among the lowest initial investment costs available in the market - indeed on investments of £30,000 or more in the Global Strategy Fund there is no initial charge. Fill in the coupon today, send it to us without obligation and we will send details on our top performing funds. The Money Management figures are produced on the basis of sterling converted results of £1000 invested on an offer to offer basis with all income re-invested. Please remember that the value of your shares may go down as well as up. GUINNESS MAHON FUND MANAGERS (GUERNSEY) LIMITED, P.O. Box 188, La Vieille Cour, St. Peter Port, Guernsey, Channel Islands. Or telephone (0481) 23506 extension 251 or telex 4191482 GUIMAC G. Please send me a prospectus on the sole basis of which investment may be made and an application form. Name Address

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Make the most of currencies Three major new funds from Guinness Mahon GUINNESS MAHON Managed Currency Fund leads the charts STERLING FIXED INTEREST FUND 70% UK EQUITY FUND 20-8% 38% THREE REASONS FOR GUINNESS MAHON'S INVESTMENT MANAGERS TO FLOW THEIR OWN TRUMPETS

Guinness Mahon This advertisement has been placed by Guinness Mahon & Co Limited, an exempt dealer.

FAMILY MONEY/8

INTEREST RATES ROUND-UP

Table listing various financial products and their interest rates, including National Savings Income Bonds, National Savings Indexed Income Bonds, and various Money Funds.

Wise 3 percent Investment Account - 11.5 per cent interest paid without deduction of tax, one month's notice of withdrawal, maximum investment £50,000.



deducted at source (can be reclaimed by non-taxpayer), minimum investment £1,000, purchased through stockbroker or bank.

MINIMUM SUBSCRIPTION EXCEEDED OVER £3M ALREADY SUBSCRIBED

BUSINESS EXPANSION SCHEME GLADDING SECURED CONTRACTORS PLC

OFFER FOR SUBSCRIPTION Sponsored by CHANCERY SECURITIES PLC (Licensed Dealers in Securities) The Company has been described as being "possibly the pick of the bunch" and "head and shoulders above the rest" by a specialist financial magazine.

DELTA GROUP

Profits exceed £50m - a record

Table comparing Delta Group's performance in 1985 and 1984. Metrics include Turnover, Profit before taxation, Return on capital, Earnings per share, Ordinary dividends per share, and Net borrowings.

- Another year of strong performance
• Fourth successive annual increase in earnings per share
• Cash flow of £35m
• Dividend for the year increased by 44%
• Market capitalisation has risen by a multiple of five since 1981 to exceed £300m

Geoffrey Wilson CHAIRMAN

DELTA electrical equipment, fluid controls, metals, industrial services. Copies of the annual report, of which the above is an extract, will be available after 28th April from The Secretary, Delta Group p.l.c. 1 Kingsway, London WC2B 6XF.

Why sharers feel flat

One of the proposals tucked away in the tax reform Green Paper will find little favour with London's flat-sharers. The Government intends to scrap the arrangement under which a person is entitled to mortgage interest relief on loans up to £30,000 and replace it with relief on the property being bought, rather than relief for the individual.

Large advertisement for a European unit trust. Text: 'We already have the most successful European unit trust. Why launch another?' Includes 'NEW TRUST' banner.

NEW ISSUES - how to get them, how to profit with them!

Did you know that there are literally thousands of investors in this country who make large, regular profits of "bigging" and investing in exciting new issues year after year... and not just the highly publicised ones you read about in the papers? Many of them are private investors, some of them never buy any other sort of shares and most of them are not particularly switched on when it comes to stocks and shares... they are just better informed.

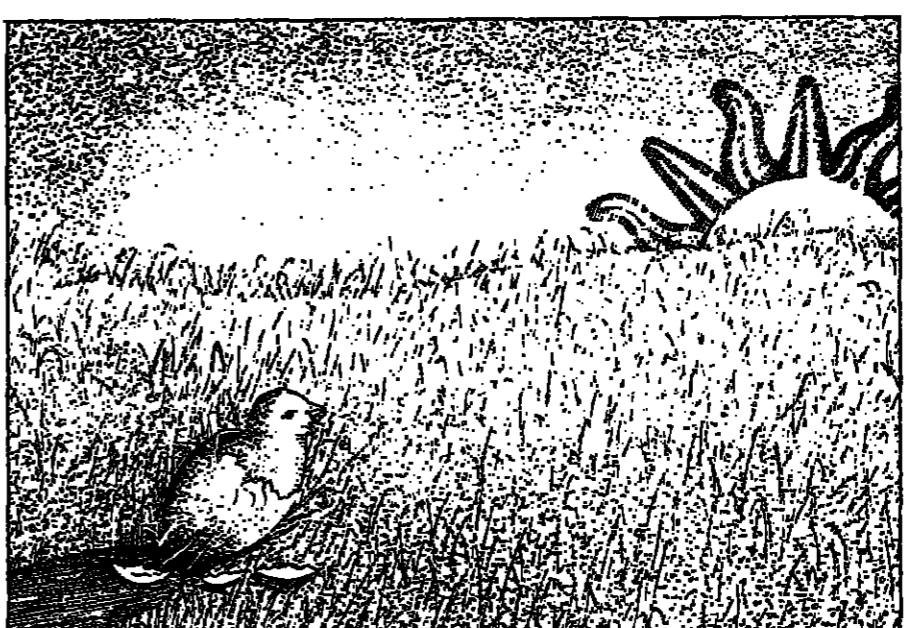
INCOME TAX RELIEF 1985/86



Offer for Subscription of 1,000,000 Ordinary Shares of £1 each at £1.10 per share. Existing freehold hotel has increased in value by 94 per cent in 2 1/2 years. Company is trading. BES relief for 1985/86 will still be available.



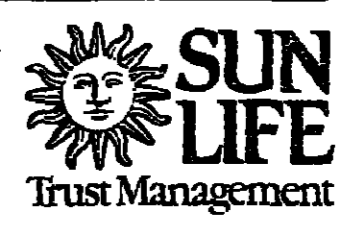
European Growth Portfolio: Number One.



European Income Portfolio: Newly Hatched.

Almost all the gains in Europe over the past year have been for the benefit of investors who want capital growth. The investor who wants a good and growing income has largely been excluded. To remedy that, we're launching the new Sun Life European Income Portfolio. It enables the investor for income to enjoy the fruits of the European stock markets as fully as investors for growth have done.

This isn't a one-off wonder either. Five of our other Professional Portfolios are in the top five in their sectors. Behind this success, lie all the resources and experience of the Sun Life Assurance group, which has funds of over £3.5 billion under management. We're confident that our new European Income Portfolio will prove every bit as successful.



All statistics - Planned Savings 1.3.86 offer-to-offer, income re-invested

FAMILY MONEY/10

Pepping up odds for a big win

The Chancellor's budget boost to private share ownership, in the form of the Personal Equity Plan (PEP), received an instant and rapturous welcome in the City. On further reflection it appeared that PEP could have severe administrative drawbacks for the professional advisers, who will act as plan managers, unless those advisers have sufficiently sophisticated computer systems and can gain an adequate volume of PEP clients to make it cost effective.

The scheme will allow anyone aged 18 and over to invest up to £200 a month or £2,400 a year in a plan to be used for buying British equities. Provided the shares are held for a minimum period of between one and two years, dividends will be free of tax and can be reinvested in the plan, and any realised gains will be free of capital gains tax.

PEP is specifically aimed at equities. Gilt-edged stocks are excluded except for an unspecified but low ceiling. Options, futures, unquoted shares and unit trusts are also excluded. The unit trust industry is not best pleased and will be lobbying hard, while the Finance Bill is at the committee stage, for the exclusion to be lifted.

The investment trust industry, by contrast, is delighted. Mr Peter Gray, deputy chairman of the Association of Investment Trust Companies, said investment trust shares were ideally suited to the new scheme, because they offered a spread of opportunity coupled with protection against undue risk.

Mr Gray pointed out that the schemes already run by some investment trust groups enabled savings of as little as £25 a month to be invested in investment trust shares.

Investment trust managers like Foreign & Colonial, Mr Paul Bateman, marketing and development director at Save and Prosper, said he was not afraid of the administrative burden as S&P was used to handling large volumes of clients doing small transactions. He thought there would be a pooling arrangement to avoid excessive administration costs.

It is not yet clear to what extent PEP investors will be allowed to roll up monthly contributions and keep the money on deposit to invest in shares once or twice a year. S&P, however, aims to pool all PEP holders' contributions and make monthly bulk purchases on the stock market. S&P would of course have to have discretion over the shares bought or the benefits of pooling would be lost.

Investors will however, be allowed to put the whole £2,400 into the plan in one go which should appeal to the larger investor who wants to make his own decisions on buying and selling.

Mr Bateman, who is all in favour of PEP but would like to see unit trusts included, said that monthly contributions of less than £100 still look too low for direct equity investment and would be better put into unit trusts.

Reclaiming the 29 per cent advance corporation tax paid by companies on their dividends would also have to be done in bulk by the plan manager to make it administratively workable. The Inland Revenue envisages the tax relief working much the same way as for mortgage interest relief (Miras) and life assurance relief. The plan manager will make claims on behalf of all his clients perhaps monthly or quarterly.

Stockbrokers are also feverishly examining ways of taking advantage of PEP. Mr Tony Richards, of brokers Quilter Goodison, welcomed the Budget measure as a tremendous move, but said the next few weeks would be spent looking for cost effective ways of making it work.

Reinvesting dividends of typical sums as small as £3 could pose problems, he said. Reclaiming 29 per cent tax on such small amounts would also cost more than the amount being reclaimed, unless it could be done in bulk. The answer again came down to pooled investments in nominee names invested at the discretion of the plan manager. A pool would have the added advantage of attracting volume discounts on the stock market and making the plan administratively cheaper for the PEP holder.

Mr George Lynne, of stockbrokers Buckmaster & Moore, believes PEP will make people more business culture minded. Once people have shares in a company, it will encourage them to read everything about that company.

There will, however, be a steep learning curve for those unused to investing in shares. Although investment trusts appear to have a strong advantage, their perennial discount to assets might pose problems of explanation for the plan manager. Shares also go down as well as up, which can come as a shock to those used to building society investments.

The Government expects PEP to cost £25 million in lost revenue in the first year of operation and then to become steadily more expensive as dividend tax and CGT relief builds up. Mr Nigel Lawson wishes to create a nation of shareholders. Mr David Tallon of accountants Dearden Farrow has mischievously suggested, "The only thing I can think is that the Government intends to sell off British Gas with 12 monthly calls of £200."

Privatization issues will undoubtedly benefit along with other shares if PEP takes off. Some of the greatest gains are likely to be high yielding shares, where the dividend tax relief will be most marked.

In the early years of PEP dividend tax relief will be more significant. Capital gains above the annual tax free ceiling of £6,300 (1986-87) per person are unlikely to accrue unless one or two shares perform like rockets.

The Government intends to allow a wide range of bodies to become plan managers, including stockbrokers, licensed dealers, banks and others. Would-be plan managers will have to register with the new investor protection authority set up under the Financial Services legislation now before Parliament.

Alison Eadie

Registration for plan managers

Pooling plan to cut down costs

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Law Report March 22 1986 Queen's Bench Divisional Court

Lord Chancellor's reply to Bar case

Regina v Lord Chancellor, Ex parte Alexander. Before Lord Lane, Lord Chief Justice, Mr Justice Boreham and Mr Justice Taylor. [Argument March 21]

The Queen's Bench Divisional Court continued the hearing (*The Times* March 21) of the application by Mr Robert Scott Alexander, QC, chairman of the Bar of England and Wales and as representative of the Bar Council, for judicial review of a decision of the Lord Chancellor, Lord Hailsham of St Marylebone, communicated in a letter of Mr Alexander dated February 7, 1986, to make regulations under section 39(1) of the Legal Aid Act 1974, as amended, to increase with effect from April 1 next by no more than 5 per cent the level of fees payable to barristers under the Legal Aid in Criminal Proceedings (Costs) Regulations (SI 1982 No 1197) as amended by the Legal Aid in Criminal Proceedings (Costs) Regulations (SI 1985 No 333).

Mr Sydney Kenridge, QC, Mr Thomas Morrison QC, Mr Nicholas Underhill and Mr George Leggan for Mr Alexander; Mr Nicholas Phillips, QC and Mr John Laws for the Lord Chancellor.

Mr Kenridge, reading the affidavit of the Lord Chancellor, said that Lord Hailsham said that he was swearing the affidavit personally because he believed that the application raised issues of high principle and did not turn on the detailed facts, some of which fell within the knowledge of members of his department rather than himself. The affidavit continued: "My statutory duty is to have regard to the principle of allowing fair remuneration according to the work actually and reasonably done."

"This involves considering (amongst other factors) the rates payable for different items of work, the amount of time reasonably devoted to each such item and the skill which should be devoted to it.

"It is relevant to consider the levels of earnings that can be achieved and that are achieved from legally aided criminal work by barristers of different seniority and standing. It is relevant to consider the over-

heads that have to be borne by barristers." Mr Kenridge commented that those matters were contained in the report of Coopers & Lybrand.

The affidavit continued: "In deciding whether rates are fair a wide range of factors may be relevant. By way of example, I would not think it right to consider the present claim of the Bar for increased rates of remuneration in criminal legal aid in isolation, but to consider, among other factors, the outcome of discussions which are taking place in relation to similar assumptions, analyses and arguments which have been advanced on behalf of the Law Society and are based on a report prepared by Messrs Peat Marwick Mitchell in respect of which the department has been advised by the Coopers & Lybrand report."

"Again, the outcome of discussions concerning the proposed remuneration of counsel and solicitors instructed by the Crown Prosecution Service which will begin to operate in April 1986 is, in my view, a proper factor to which I should have regard; another is the level of remuneration available to counsel and solicitors employed in civil legal aid work."

"I would also be obliged to consider the basic structure of fees for criminal legal aid which would almost certainly be affected by a general review of criminal legal aid remuneration, but by no means least, I would contend that so far from being reasonable it would be wholly unreasonable if one of the joint stewards of public moneys raised by borrowing and taxation to dis-

burse the public purse.

"State funded legal aid is one aspect of a wide spectrum of social services provided by the state. The question of what is fair remuneration for legal aid is not to be considered in isolation or in disregard of the relative merits of the many other claims on the public purse."

"Before making any decision as to raising the rates of remuneration for legally aided work, it is my practice to discuss my proposals with my ministerial colleagues both because my actions can affect decisions they have to take and to give them the opportunity to make any representations they may wish in respect of my proposals."

Mr Kenridge commented: "The Lord Chancellor in his affidavit went on to state that whether responsibility for criminal legal aid in July 1980 he announced his intention to take steps to ensure that criminal legal aid resources were spent as efficiently and effectively as possible.

At an early stage it became apparent that it would not be possible in one step to make all the changes to the existing arrangements which might be desirable and he decided to introduce certain interim measures which could then be followed by subsequent discussion with those concerned.

His officials consulted widely on the proposed measures. He was aware by October 1982 that both branches of the profession remained dissatisfied about the level of remuneration.

However, he took the view that the proposed regulations provided remuneration at levels which accorded with the statutory criterion and were fair having regard to all other relevant considerations. Accordingly the regulations were brought into effect on October 1, 1982.

Following the making of those regulations it became the Lord Chancellor's practice to promulgate and proposals to be put forward by the end of January. The legitimate expectation was that the report would be fully considered, fully discussed with negotiations on the basis of the report and that the Lord Chancellor would have regard to the outcome of the negotiations in considering the stage 2 review of the 1982 Regulations.

It was not accepted that the doctrine of legitimate expectation had the effect that considerations, discussions and negotiations would be completed in time to affect the outcome of the regulations.

Mr Justice Taylor asked if there was a legitimate expectation that the negotiations would proceed with speed and with the department's cooperation.

Counsel agreed that they would use their best endeavours. Lord Lane: What evidence is there that the Lord Chancellor's department did?

Counsel said that the evidence was that the department formed the view that there was no reasonable prospect of concluding negotiations within the time scale. Officials notified the Lord Chancellor that time would not allow discussion of the report to be concluded before the April regulations.

It was not surprising that on December 20 that they reached that conclusion. Lord Lane asked why it could not be done all at the same time, concurrently. Counsel said that it could. Lord Lane: The fact that the Lord Chancellor goes to India and has a Christmas holiday appears to me irrelevant. Counsel agreed.

Mr Justice Taylor subsequently asked why, if the decision that the regulations were going to be updated 5 per cent was taken before Christmas, there had not been a squeak about it until the day before the Bar's extraordinary general meeting.

"We are not trying to do anything exceptional.."

John Gittings, Touche Remnant, Sunday Telegraph, December '85.

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Saturday

Weekend television and radio programmes Edited by Peter Dear and Christopher Daville

Sunday

- BBC 1 6.45 Open University. Until 8.25. Hunter's Gold. The penultimate episode of the drama serial set in New Zealand during the 1850s.

- TV-AM 6.55 Good Morning Britain. Presented by Mike Morris. Regional news report at 7.05; and sport at 7.15.



Daisy (Catherine Bach) Luke Duke (Tom Wopat) and Bo (John Schneider) The Dukes of Hazzard (BBC1, 6.20pm)

- BBC 2 6.50 Open University. Until 1.55. 1.55 Film: Every Girl Should Be Married? (1948) starring Greer Garson, Charles Laughton and Franchot Tone.

- BBC 1 6.45 Open University. Until 8.50. Play School. Presented by Keri Cockpack. 9.15 The World Tonight. Redemptive religious belief 9.30 This is the Day. A Palm Sunday service from a viewer's home in Sowerby, North Yorkshire.

- TV-AM 6.55 Good Morning Britain. Presented with thought for a Sunday; cartoon at 7.00; Are You Awake Yet? at 7.25; the What's News Quiz at 7.50; Janet Smartt's Pick of the Week at 8.10; news headlines at 8.27; Jonathan Dibley on Sunday.



Two legends: Mae West and WC Fields embark on a fake marriage in My Little Chickadee (Channel 4, 2.25pm)

- BBC 2 7.15 Open University. Until 1.55. 2.00 Rugby Special. Nigel Starmer-Smith introduces highlights and reports from top cup matches played yesterday in England and Wales, and in the league in Scotland.

- Radio 4 5.55 am Shipping. 6.00 News. 6.15 PMG. 6.30 News. 6.45 Breakfast. 7.00 News. 7.15 Today's Papers. 7.15 On your mark.

- Radio 3 6.55 Weather. 7.00 News. 7.05 Aubade. Malcolm Arnold (Four Corners Dances). Villa-Lobos (Coranda des Corais).

- Radio 1 6.00 News. 6.05 Breakfast. 6.15 PMG. 6.30 News. 6.45 Breakfast. 7.00 News. 7.15 Today's Papers. 7.15 On your mark.

- Radio 2 6.00 News. 6.05 Breakfast. 6.15 PMG. 6.30 News. 6.45 Breakfast. 7.00 News. 7.15 Today's Papers. 7.15 On your mark.

- Radio 4 6.00 News. 6.05 Breakfast. 6.15 PMG. 6.30 News. 6.45 Breakfast. 7.00 News. 7.15 Today's Papers. 7.15 On your mark.

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World Service: facing page

International tours take heavy toll on cricket teams at opposite ends of the world

England take a battering

From John Woodcock, Cricket Correspondent, Bridgetown

Although England won the toss in the third Test match here yesterday and had the advantage of fielding first...

Botham's head for an all-round four, Gower having to chase it from cover point. Though not properly timed, and so partly fortuitous, the stroke was an immediate declaration of intent.

minutes, and in the tenth over, the 50 was raised. Although he had only just come in, Richardson was already throwing the bat. After a dreadful season in the Shell Shield for the Leeward Islands, he is suddenly an immensely dangerous opponent.

Trinidadians threaten to increase boycott

Port-of-Spain (Reuters) - A Trinidadian anti-apartheid group have threatened to step up their protests when the England cricket team returns to Trinidad next week.

Lyle Townsend, the chairman of CIDWIC, said demonstrations during the second one-day international and the second Test match in Port-of-Spain had exceeded the committee's expectations.

Scoreboard

WEST INDIES: First innings C & G Greenidge & Simmons & Foster - 21 D L Hayden not out 82 R B Richardson not out 82



The man who threw the bat at England: Richardson emerges as a world force

Border threat to quit as captain

Christchurch (Agencies) - Allan Border said yesterday he would resign as Australia's cricket captain if his side continued to play second fiddle to New Zealand in their one-day series.

Rapid progress by Canada

Canada made a fast entry into the semi-finals of the Car CareWorld team championship with a 5-0 victory over the Rest of the World in a scheduled nine-frame match at Bournemouth yesterday.

Cliff Thorburn took the Canadians into a 2-0 lead at the expense of Tony Drago, whose early mistakes proved costly. Thorburn made a break of 41 in the first frame and 54 in the second. Kirk Stevens, however, beat Omprakash Agrawal less comfortably.

much too good, but Dennis Taylor struggled to subdue Faddy Browne in a 51-minute frame. Thorburn later criticized the selection of the Rest of the World team by the World Professional Billiards and Snooker Association.

Oosterhuis falls on hard times

Times are hard on the tour these days for Peter Oosterhuis, the British Ryder Cup player whose appearance here in the 144-strong field of the New Orleans Classic is only his fifth of the season with 10 events gone.

good enough if I want to regain my place in the top 125." Oosterhuis planted the seeds of his problems, which have grown to beastly proportions, by finishing 130th on the money list last year with \$41,805 (about £29,000).

Budd with spring in her step

Zola Budd goes into the world championship here tomorrow enjoying the sort of supremacy over her competitors which can only be halted by what is normally referred to as an act of God.

race is over 5,000 metres, the distance at which Miss Budd holds the world track record. She admits to feeling stronger than ever after a better winter of training, the proof of which we have already seen with her recent world indoor best for 3,000 metres.

But the undulating course, closer to British cross-country than most world championship course in recent years, can only be to the advantage of Hutchings and Dave Lewis in their struggle for individual medals, and to the England team which, despite being the best for years, will still have to win a battle royal to beat the Ethiopians, Kenyans and Americans.

Preserve the value of your income watch your capital grow. It's all too easy to get caught in the money trap. Either your income suffers or your capital dwindles. Hill Samuel together with the Nottingham Building Society could have the answer you're looking for.

OLYMPIC GAMES Campaign pair defiant. Two Birmingham MPs have defied warnings and are lying into one of the world's trouble spots in an attempt to boost their city's bid to host the 1992 Olympic Games.

The indoor unveiling

British sport will know the identity of its first national indoor arena on Monday when the Sports Council decide which of six applicants will receive a £3 million grant over the next three years.

Having a Kerr

Lincoln City's 43-year-old manager, George Kerr, whose squad has been hit by injuries, has named himself in the squad for tomorrow's third division home game against North County.

Slim Spinks

Reno, Nevada (AP) - Leon Spinks has scaled a major hurdle in his effort to take the World Boxing Association junior heavyweight title from Dwight Muhammad Qawi tomorrow.

Boitano capitalizes on mistakes in top duel

Geneva is steadily undermining the belief that ice skating is predictable. Following hard on the skate blades of the 14-year-old Ekatarina Gordeyeva and her Soviet partner, Sergei Grinkov, in the pairs, Brian Boitano (United States) stole away with the men's world championship on Thursday night while, as he put it afterwards, "the other two were fighting it out".

ing triple axel was under gliding control. Orser was last of the contenders to skate, in the knowledge that, as one super numerical judge put it, "He had only to stand up to win". Boitano, clinically correct, had notched up four scores of 5.9, otherwise it was 5.8 all the way. The target was sadly within Orser's range but to a large extent his reputation is founded on his total command of the triple axel, which he has perfected to such a degree that he had acquired the sobriquet "Mr. Triple Axel". But now, when he needed it most, it failed him or he failed it - not once but twice. Canadians seemed to regard it almost as an affront to the laws of nature.

Another scalp

Brussels (AP) - Broderick Dyke of Australia continued his giant-killing ways at the Belgian indoor tennis championship yesterday by beating France's Guy Forget 6-1, 3-6, 7-6 to reach the semi-finals.

Ace Connors

Fort Meyers (Reuters) - Jimmy Connors, the second seed, beat Britain's John Lloyd 7-5, 6-2 in the second round of the Florida Classic. Lloyd said Connors' game was as good as it was five years ago when the 33-year-old American was in his prime.

Shuler dies

Philadelphia (UPI) - The middleweight boxer, James Shuler, aged 26, who last week suffered the only defeat of his professional career against Thomas Hearnis, was killed when his motorcycle collided with a tractor-trailer here.

Kerr picked himself

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